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RUEKJCS/JOINT STAFF WASHINGTON DC IMMEDIATE
RUEKJCS/SECDEF WASHINGTON DC IMMEDIATE

UNCLAS MANILA 001087

SIPDIS

SENSITIVE
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STATE FOR S/CRS, PM, EAP/RSP, AND EAP/MTS
USPACOM ALSO FOR FPA HUSO AND J5
SECDEF/OSD/ISA/AP (TOOLAN/REDMON)
JOINT STAFF/J5 (WILKES/ROBINSON/CLEMMONS)

E.O. 12958: N/A
TAGS: [EAID](#) [PTER](#) [MOPS](#) [PREL](#) [ID](#) [MY](#) [RP](#)
SUBJECT: REGIONAL 1207 FUNDING PROPOSAL

REF: A. 06 MANILA 4151
[1](#)B. 06 MANILA 4396

[1](#)1. (SBU) SUMMARY. Section 1207 funds offer a potentially extremely valuable tool to help consolidate the post-conflict environment in the Philippines' Sulu Archipelago and in the neighboring areas of Indonesia. Our joint Manila-Jakarta \$15.5 million proposal would seek to build upon existing programs to improve infrastructure, border and port security, and foster a climate of peace in the region. These measures would complement the approved proposals for FY 2007 Section 1206 for the tri-border area, which were designed to improve maritime security in this region of porous borders and transnational terrorist activity. U.S. Embassies Jakarta and Manila strongly believe that this regional 1207 initiative, if approved, would allow us to help host nation governments consolidate their counterterrorism successes and win back ground from the extremists. On the Public Diplomacy side, we would add that the context of the cooperation is different in each country, and request that any announcement or publicity about this cooperation be cleared by relevant embassies. END SUMMARY.

THE PHILIPPINES -
BUILDING ECONOMIC ACTIVITY TO SECURE THE PEACE

[1](#)2. (U) The Philippines is currently the focal point of our counterterrorism fight in the region. The Armed Forces of the Philippines has scored significant victories during its ongoing campaign on the island of Jolo against Abu Sayyaf and Jemaah Islamiyah terrorists. With U.S. help, Philippine troops have overrun terrorist training camps and conducted successful operations that led to the deaths of Khadaffy Janjalani and Abu Solaiman, the top two leaders of the Abu Sayyaf Group. Our \$10 million Philippine 1207 initiative would build upon existing U.S. Agency for International Development and Joint Special Operations Task Force-Philippines activity to improve dual-use infrastructure on the islands of Jolo and the neighboring island of Tawi-Tawi, where we have made significant gains in separating the terrorists from the population.

[1](#)3. (U) Our Philippine proposal consists of five components:

-- Jolo Airport: A \$3 million expansion project would

lengthen the current runway from 1500 meters to 2000 meters, giving it increased capacity to handle civilian and military (both U.S. and Philippine Air Force) aircraft, such as Boeing 737s and C-130s. This improved accessibility to Jolo and similarly, below, to Tawi-Tawi is expected to offer opportunities for economic growth in both locations that will give these island communities greater hope for the future for themselves and their children, and help them become less isolated and more a part of a greater, pluralistic Philippine society.

-- Tawi-Tawi Airport: A similar \$3 million expansion project would give this airport the same expanded dual-use capability.

-- Tawi-Tawi Bridge: This \$3 million project would construct a bridge and approach roads that would link Tawi-Tawi and Sanga-Sanga, the two main islands of the Tawi-Tawi group. It would open the agricultural hinterland of the principal island of Tawi-Tawi for development by allowing farm-to-market access. The project would also enable the Armed Forces of the Philippines to shift forces by land from Sanga-Sanga to Tawi-Tawi, an operation it is now only able to conduct by sea, in order to eliminate terrorist safe havens and transit areas from this heretofore inaccessible area.

-- Security Force Train-and-Equip Package: \$300,000 in funds under the supervision of the resident U.S. Senior Law Enforcement Advisor would allow us to train and equip port and airport security personnel in Zamboanga and the Sulu Archipelago to screen cargo and passengers and respond to potential terrorist threats.

-- Jolo Water Distribution System: \$700,000 would allow Joint Special Operations Task Force-Philippines to complete a badly needed water distribution project in Jolo City, the largest municipality on the island, that would provide its residents potable drinking water.

14. (U) These proposed projects would have a tremendous impact on the Sulu Archipelago. The expanded runways will improve economic activity and allow for greater air passenger and cargo traffic between the islands and neighboring areas in Sabah, Malaysia and Sulawesi and Kalimantan, Indonesia. If these projects receive funding, a dedicated program manager under USAID's Growth and Equity in Mindanao (GEM) III program currently scheduled to begin in August 2007 would oversee the program.

INDONESIA - BORDER SECURITY AND EDUCATION

15. (U) The northeast Kalimantan islands of Tarakan, Nunukan, and Sebatik are the major transit points into Indonesia from the Philippines and Malaysia. These areas are known transit routes for not only terrorist activities that reach all the way to Poso, in Central Sulawesi and Maluku, but also serve as transit area for major transnational criminal activities involving weapons smuggling, human trafficking, illegal logging, fuel, illegal fishing, and wildlife smuggling. \$5.5 million in 1207 funding would address border and port security issues in northeast Kalimantan, improve central government coordination, and promote community stabilization and development.

16. (U) Border and Port Security: \$2 million would be used to provide technical assistance, training, limited infrastructure development and conduct cross-functional training programs with Indonesian Immigrations, Customs, Indonesian National Police, Indonesian National Police Marine Police, port authorities and the Indonesian Armed Forces (TNI). All of the ports in the northeastern Kalimantan islands suffer from a lack of inspection equipment, queuing infrastructure and processes, training, standardized procedures, and coordination. The infrastructure development would involve low-tech structural improvements and modifications to enable better management of passengers and cargo. The training and process systems provided would cover immigration processes, document examination and inspections,

cargo inspection, vessel and vehicle search, interview and interrogation, basic surveillance, border and port management, law enforcement safety, tactical and strategic intelligence methodologies for law enforcement, standardized reporting, and inter-agency coordination.

¶7. (U) Central Coordination: Better central coordination would greatly enhance the effectiveness of the above measures. Under the Global War on Terrorism program, we will place a U.S. Coast Guard Maritime Security Advisor at the Agency for National Maritime Coordination (BAKORKAMLA) for one year. An additional \$500,000 in 1207 funding would provide for training of central government officials to institutionalize coordination among the dozen Indonesian agencies that are involved with maritime security. This training would address institutional gaps in communication and coordination and competing authority among TNI Navy, the National Police and Maritime Police, Customs, and other agencies, and would start at the upper levels of the Indonesian government and work downward to close gaps and eliminate overlaps in authority.

¶8. (U) Community Stabilization and Community Development: The Malino Accord did not end conflict in Central Sulawesi, where extremists have continued to foment discord and violence between the Muslim and Christian communities. The province is divided along communal lines, public offices and services are the object of contention, and public infrastructure has yet to be re-developed from the communal violence around 2000. Scarce economic opportunities and resources escalate tensions among groups, local government fails to meet minimum needs of the citizens, and continuing security threats create confusion and instability. Central Sulawesi, especially in and around Poso, has become an ideal "safe haven" for terrorists, potential terrorists and others linked to terrorism, notwithstanding the recent arrests. The situation resembles the one that existed in General Santos City on Mindanao in the southern Philippines before USG intervention there. USAID plans to implement a program in Central Sulawesi aimed at community stabilization and community development

¶9. (U) To reinforce these programs and to promote community focus on the future and issues of common concern and promote mutual understanding, we propose to use \$500,000 in 1207 funds to expand existing public diplomacy programs in Indonesia that promote youth leadership and improve the quality of education to include Central Sulawesi. These programs would include:

- English immersion camps;
- Documentary film program for young adults;
- Sports leagues;
- High school journalist training;
- Scholarships for English classes; and,
- Study tours for community leaders.

¶10. (SBU) All the above measures would complement the approved FY 2007 Section 1206 proposals for the tri-border area, which were designed to improve maritime security in this region of porous borders and transnational terrorist activity. U.S. Embassies Jakarta and Manila strongly believe that this regional 1207 initiative, if approved, would allow us to help host nation governments consolidate their counterterrorism successes and win back ground from the extremists.

¶11. (U) Embassies Jakarta and Kuala Lumpur have cleared this message.

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KENNEY